

News Release

For Immediate Release

USDA Farm Service Agency
PO Box 670
Bozeman, MT 59771-0670

For More Information:

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Patti Soares 406/587-6870

Counter-cyclical Payments Not Issued for Certain Crops

Bozeman, MT— The USDA Farm Service Agency (FSA) today announced that market prices for barley, corn, grain sorghum, oats, soybeans, other oilseeds or wheat base acreage are well above the levels for triggering the 2006 Direct and Counter-cyclical Payment Program (DCP). Therefore, producers enrolled in the DCP program entering into agreements for those crops will not receive the second partial counter-cyclical payment.

DCP was initiated in the 2002 Farm Bill. Under the program, counter-cyclical payments (CCP) are available for covered crops whenever the effective price is less than the target price. The effective price equals the direct payment rate plus the higher of either: 1) the national average market price received by producers during the marketing year; or 2) the national average loan rate for the commodity. USDA calculated CCPs based on historical base acreage and payment yields, not current production.

Final counter-cyclical payments are determined after the end of the marketing year for each crop. The end of the 2006/2007 marketing year for each crop is as follows:

- Wheat, barley and oats – May 31, 2007
- Corn, grain sorghum and soybeans – August 31, 2007

For further information on DCP or other programs administered by FSA, logon to the Montana FSA website at <http://www.fsa.usda.gov/mt> or contact your local FSA county office.